

(Washington, DC)— Congresswoman Gwen Moore (D-Wisc.) today voted for the Student Aid and Fiscal Responsibility Act, a bill that would make the largest single investment in history to make college more affordable for students and their families – and at no cost to taxpayers. The bill passed the House of Representatives today by a vote of 253-171. The legislation would raise the maximum annual Pell Grant scholarship, strengthen the Perkins Loan Program, and simplify the Free Application for Federal Student Aid (FAFSA) form to make applying for assistance easier. The bill would also make unprecedented investments in community colleges, which would help these critical institutions better meet the need for a skilled workforce.

“This legislation would help ensure that students have access to the education they need to secure the high-skilled jobs that will keep America competitive,” Congresswoman Moore said. “We need to make sure that young people have a way to continue their education after high school without being forced to take out incredibly expensive loans that trap them in debt for years to come. We can’t let the substantial cost of postsecondary education deter bright students who want to continue their schooling. Our priority has to be putting funds in the hands of students so that America can continue to produce the best and the brightest who will become scientists, find cures for disease, and come up with new and innovative methods of manufacturing. We cannot continue to fall behind.”

Beyond increasing access to college, this legislation would also save taxpayer money by reworking the nation’s financial aid programs so that they deliver student aid more effectively to students and families at a lower cost to taxpayers. Right now, billions of taxpayer dollars are being sent into a federal lending program that no longer works – the Federal Family and Education Loan Program. Through this program, financial institutions have been guaranteed large profits off of student loans. Instead, the Department of Education can administer loans for a much lower cost – and already does – through the Direct Loan program. By only originating loans through the Direct Loan program, taxpayers would save \$87 billion over the next 10 years. The Department of Education would choose private-sector companies to service loans in a competitive way, and reward them for better performance with additional work.

“The Department of Education shouldn’t be in the business of paying banks to help students, we should be in the business of helping students,” Congresswoman Moore said.

This bill would bring the maximum annual Pell Grant scholarship to \$5,550 in 2010 and \$6,900 by 2019. These awards are the critical need-based grants that go to low-income students to promote access to higher education. Currently, the maximum annual award is \$5,350. President

Obama and Congress increased Pell Grant scholarships by \$500 in the Recovery Act. But Pell grants are worth less than half as much as they were 30 years ago, measured against the rising cost of a four-year public university. The House legislation would provide funds to help Pell Grants grow faster than inflation every year to catch up. Students from Congresswoman Moore's district could see a dramatic increase in their Pell grant awards over the next 10 years, with total amounts awarded to Fourth Congressional District students going from \$44 million to more than \$110 million. While the Fourth Congressional District currently has about 17,600 recipients of Pell Grants, that number could climb as high as 31,000.

In addition, the bill includes \$20 million in funding for TRIO programs that help put students on the path to success in higher education. These programs are designed to motivate and support students from disadvantaged backgrounds. TRIO includes six outreach and support programs targeted to serve and assist low-income, first generation college students, and students with disabilities, to progress through the academic pipeline from middle school to postbaccalaureate programs.

"I am a product of TRIO," Congresswoman Moore said. "Without the support of the TRIO programs as a senior in high school, I would not have made it to college. And it was TRIO's continued confidence and guidance that helped me earn my college degree. So many of our students from low-income and disadvantaged backgrounds have the ability and determination to succeed in college, but they do not know how to get that first foot in the door, and they need a little extra support while in the university setting to make it through and earn their degree. We can give kids all of the grants and financial aid out there, but if they do not have the right support system – like the one that exists in TRIO programs – they have a much smaller chance of success."

This legislation would also keep interest rates low on government-subsidized loans, make substantial investments in early childhood education, expand the Perkins low-cost loan program to every U.S. College, and invest in Historically Black Colleges and Universities (HBCUs) to provide students with the support they need to stay in school and graduate.

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